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WRITTEN STATEMENT FOR THE RECORD

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BEFORE THE

**HOUSE TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE
ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS
AND EMERGENCY MANAGEMENT**

WASHINGTON, DC

MARCH 17, 2005

Good Afternoon

I would first like to thank Chairman Shuster and members of the sub-committee for your kind invitation to testify today on behalf of federally-supported local economic development efforts in a sub-state region of Pennsylvania that is predominantly rural and one that has benefited immensely from a number of community and economic development programs promulgated by the Congress. I would particularly like to acknowledge Chairman Shuster in whose 9th Congressional District of Pennsylvania I live, and, along with a portion of the 12th Congressional District, comprises the region on behalf of which my organization's efforts are directed.

My name is Edward Silveti and I am presently, and have been for the last 12 years, the Executive Director of the Southern Alleghenies Planning & Development Commission headquartered in Altoona, Pennsylvania. Altoona is one of our two principal cities, the other one being Johnstown. As well, our development district, or regional council, serves six counties in southcentral Pennsylvania, those being Blair, Bedford, Cambria, Fulton, Huntingdon and Somerset. As a public non-profit development agency, the Southern Alleghenies Commission has served the community and economic development interests of the region's nearly 470,000 citizens since 1967. Additionally, and in recent past years, I have served as President of Pennsylvania's association of development districts/regional councils, as well as President of the Development District Association of Appalachia, this latter organization comprised of the 72 Local Development Districts designated through the Appalachian Regional Commission. This has given a perspective to me well beyond where I live and work.

While I do understand that I have some latitude with respect to my testimony today, my testimony will attempt to illustrate community and economic development necessities, and more specifically, how the President's *Strengthening America's Communities* initiative may impact this. I would like to focus, if I may, on how economic development plays out in rural Pennsylvania and, indeed, how it plays out in a similar fashion across this country. My intent is not to discourage consideration of alternatives such as the President proposes, but to try to demonstrate in some small way the importance of the Economic Development Administration and other programs in meeting the need for economic stimulation and job creation.

For the record, Southern Alleghenies Planning & Development Commission is a designated Economic Development District under the Public Works and Economic Development Act. This being said, Southern Alleghenies Commission does receive a small planning grant annually from the Economic Development Administration in the amount of \$52,000. As well, we administer a number of revolving loan funds, one of which is capitalized through the EDA.

From my professional vantage point, the necessity for public infrastructure and the identification of infrastructure as lacking in this country has "waxed and waned" in cyclical fashion for as long as I can remember. It was not that long ago, perhaps ten years, there was a raging public debate on how public infrastructure was deteriorating in this country and how this would ultimately affect our economy. I am here today to tell you that inadequate public

infrastructure and deteriorated infrastructure has never been off the agenda for Southern Alleghenies Planning and Development Commission.

Lack of infrastructure has, and continues to be, a singular “road block” to economic development in our region and puts us at a distinct disadvantage to more urban regions. A lack of broadband, water service, sewerage service, and highway access to business and industrial sites pre-empts our ability to respond immediately to major economic opportunities presented by larger businesses and manufacturers. What remains for those of us in rural Pennsylvania is, oftentimes, competing for lower-tech, lower-paying jobs.

I would like to state for the record that it is the belief of our Board of Directors, comprised of local elected officials from our six counties, that the Economic Development Administration has been the singular federal program that has helped to support the establishment of business parks, industrial sites, and attendant infrastructure that has, in turn, supported a huge portion of economic growth and resulting new jobs in our small corner of this country.

Even within our six county region we have been forced to make decisions, prudent as they may be, in recommending projects for EDA consideration. Not surprisingly, many of these investments have gone in our more urban counties, but our organization’s proudest moments have been when we have brokered federal investments in our most rural counties in response to economic opportunity, to see jobs created in areas where, without public investment, no jobs would have been created at all.

I wish that members of this Sub-committee had had the opportunity to attend the ground breaking and ribbon cutting for the Fulton County Business Park. Fulton County has a population of roughly 15,000 people. This business park has already supported expansion of several manufacturers and, with its recent “tax-free” designation, holds the promise of creating many more jobs on site. Without EDA’s investment this project simply would not have happened.

I would be remiss if I did not describe the Southern Alleghenies Planning & Development Commission organization and highlight the many activities and programs that we deliver on behalf of our citizens. I do this to demonstrate how multi-county, substate regional councils can serve to effectively and efficiently deliver services.

As I have stated, our organization was incorporated in 1967 by a number of political and business leaders in our region who foresaw the necessity to plan and deliver economic and community development services on a broader geographic and political basis than at the sub-county, municipal or even county level. We are, among other things, an Economic Development District designated under the Public Works and Economic Development Act, a Local Development District through the Appalachian Regional Commission. We administer federal workforce development funds under the Workforce Investment Act on behalf of a regional Workforce Investment Board. We deliver small business lending services under both federal and Commonwealth of Pennsylvania designations. We serve to assist small companies in our region to export their products to foreign markets. Southern Alleghenies Commission is also a

Procurement Technical Assistance Center under contract with the Department of Defense helping our businesses to “do business” with the state and federal governments.. And for the past 15 years Southern Alleghenies Commission has acted as the Rural Planning Organization under contract with the Pennsylvania Department of Transportation, funded in part through federal transportation legislation.

I could go through the many individual programs that we administer on behalf of our constituent counties and businesses, but that is not why I am her today. Suffice it to say, that for well over 35 years the Southern Alleghenies Planning and Development Commission has been working hard to help make our region a better place in which to live, work and do business. We have a solid reputation for outstanding performance and are committed to continue promoting progress through regional cooperation. Southern Alleghenies Commission provides administrative, professional and technical assistance that simply is not available within individual municipalities. Many of our business services, such as assisting our companies to secure contracts with federal and state agencies or helping our companies to export their products are services that require expertise not available in most small and medium-sized businesses and manufacturers that largely comprise rural economies. We help our communities and we help our businesses to compete in an economy that stretches far beyond the small area of Southern Alleghenies Pennsylvania. Federal programming, particularly those like the EDA, support these efforts.

Insofar as the federal role for community and economic development, some would say the federal government has no role. I disagree. We live in a global economy, and without federal support to promote business growth where would that leave small and medium sized businesses which could never manage individually.

With respect to many of the individual programs that would be combined under this Administration’s *Strengthening America’s Communities* initiative, we work indirectly and directly with these, but the EDA is viewed as the only real choice for supporting economic development in our rural region. USDA programs and the Community Development Block Grant have supported local economic development efforts, but the Economic Development Administration is and has been the program of choice to support meaningful economic development expansion. The Economic Development Administration just in the past 10 years has made well over a dozen investments in “bricks and mortar” infrastructure projects in the Southern Alleghenies region, and this does not include technical assistance studies which the Economic Development Administration has partially funded to determine whether it should make or whether a local sponsor should continue to pursue development of specific projects.

What has EDA received for its money? What benefit has the Congress derived from the money it appropriated? A project in 2001 in southern Blair County resulted in a \$45 million investment by a regional corporation. Another EDA investment of less than a million dollars resulted in the establishment of a major electronics component manufacturer that includes significant international sales. In 1999 EDA made a \$634,000 investment in an industrial park in northern Cambria County. An announcement was made within the past month that a foreign manufacturer would establish a facility there in support of wind energy with an investment of \$42 million. It just does not get any better than that.

I can tell you that none of the two major investments which I just mentioned would have occurred without EDA's investment of less than \$3 million. Those investments and major corporations would have gone to areas where the unemployment rate was below the national average, but with EDA's help those corporate investments went or will go to an area with an unemployment rate well above the national average.

Members of the Sub-committee, I have been working in the field of economic development since 1976 and have witnessed transitions that the Economic Development Administration has gone through. I have seen the EDA at an appropriations high and see it now at an appropriation low. And, while change is inevitable and changing economic and budgetary considerations have dictated and resulted in significantly less financial assistance, the need of support for public economic development infrastructure continues to grow.

As an Economic Development District, Southern Alleghenies Commission has the term "planning" incorporated into its name; we do planning. The \$52,000 that we receive annually in administrative support may seem minor, but its flexibility is vitally important.

The EDA district planning grant goes to support our ongoing efforts in assessing and reassessing our region through the Comprehensive Economic Development Strategy or CEDS process. I do believe this CEDS process is the best articulated planning process the EDA has managed to provide. It provides more than a snapshot; it provides a method to continually assess the region's ever-changing economic vitality and serves as a means to recommend projects for public investment, just not from the EDA, but from other federal, state and local sources as well.

On that point of recommending projects, this is a point that I try to make to whomever I am speaking. It points to one of the core strengths that I believe our organization, and other regional councils, bring to the process of economic development. Federal resources are scarce, as are our state resources, and local government can afford only so much, as well. Somebody has to serve the purpose of evaluating projects on a cost benefit basis, measuring those projects against a plan and recommending projects that are worthwhile, that will have impact and serve the greater economic development and community development good. That is what we do. We manage the sifting process.

Southern Alleghenies Commission maintains a number of advisory committees made up of business leaders, bankers, industrialists, local government representatives, other agency representatives. As committees, and through the CEDS planning process, we are continually identifying projects, determining their relative cost benefit, placing them in priority order, having our board of local elected officials from six distinct county governments making recommendations, and then advising agencies like the Economic Development Administration that the resulting projects make a good investment sense and that jobs and capital investment will result. That is about as succinctly as I can define organizations like Southern Alleghenies Commission.

As a regional council I believe we do a pretty good job in brokering projects, getting one county or one city to recognize that perhaps their project is not quite ready and that they need to support a project in a neighboring county.

Regional cooperation cannot get any better than that.

Take away the Economic Development Administration and our Board of Directors will agree unanimously that the federal role in helping distressed communities has been greatly curtailed to the detriment of rural areas.

Chairman Shuster, and members of the Sub-committee, thank you again for this time to speak.